

Internet access over their own networks. In this respect, the advanced services market is far different from the local exchange services market. In advanced services there is no "legacy" network that was built during years of regulated, franchised service by a single provider. Rather, advanced services represent the "next wave" of communications services and there is no conceptual "incumbent" advantage similar to that of an incumbent carrier in the local exchange field. No one entity and no one technology owns or controls or has ever owned or controlled the advanced services market, or the equipment needed to compete in that market, in the way ILECs "controlled" the local exchange market prior to 1996.

Q. AT&T WITNESS PFAU SUGGESTS AT PAGE 106 OF HIS DIRECT TESTIMONY THAT IF PROPERLY SUPPORTED, LINE SPLITTING COULD HELP REVERSE THE TREND OF HIGHER ILEC PRICES FOR xDSL CAPABILITIES. DO YOU AGREE?

A. No. Indeed, AT&T Witness Pfau's citation of increased xDSL prices by SBC ignores the fact that the reason for that increase was the imposition of regulatory burdens on SBC that increased its costs to provide xDSL service. In testimony filed recently in California, SBC explained that it raised xDSL prices primarily due to increased regulatory costs and other start-up costs associated with its Project Pronto.²⁹ AT&T Witness Pfau's insinuations also ignore the fact that

²⁹ See Rulemaking on the Commission's Own Motion to Govern Open Access to Bottleneck Service and Establish a Framework or Network Architecture Development of Dominant Carrier Networks, CPUC Docket Nos. R-93-04-003/I-93-04-002 (Permanent Line Sharing Non-Costing Phase) Testimony of Ross K. Ireland at 15.

1 xDSL service does not compete in a vacuum, and the prices for xDSL service are
2 constrained by the prices charged by cable modem service providers like AT&T
3 and Comcast, which obviously are still in business and seeking to extend their
4 market-share lead.

5 **Q. IS AT&T WITNESS PFAU CORRECT WHEN HE STATES AT PAGE 110**
6 **OF HIS DIRECT TESTIMONY THAT THE PRIMARY DISTINCTION**
7 **BETWEEN LINE SHARING AND LINE SPLITTING IS PURELY A**
8 **LEGAL DISTINCTION BASED ON WHO PROVIDES THE VOICE**
9 **SERVICE?**

10 A. No. AT&T Witness Pfau's comparison of line sharing and line splitting is
11 oversimplified. Line sharing and line splitting, although similar from a central
12 office wiring perspective, have many differences from an administrative,
13 operational and billing perspective. The most fundamental difference is that in
14 line sharing, Verizon VA's own retail customer pays for the basic loop, switching,
15 and transport costs in their POTS rate. Therefore, under current rates and rate
16 structure, no loop, switching, and transport charges need to be billed to a CLEC
17 beyond any that are incremental to the provisioning of line sharing. This is not
18 the case when a CLEC is using Verizon VA UNE loops, switching, and transport
19 to provide voice service, in that case, there is no Verizon VA retail customer
20 compensating Verizon VA for those costs. Accordingly, Verizon VA must bill
21 those elements as UNEs to the voice provider. This billing difference means that
22 there are two wholesale bills being produced in connection with line splitting,
23 whereas in line sharing there is one wholesale bill and one retail bill for the same

1 line. This fundamental difference causes different billing system and inventory
2 work.

3
4 In addition, line splitting involves different business relationships and rules
5 requiring opening of different channels and methods for processing changes and
6 repairs from those required in line sharing. For example, in line splitting, a voice
7 CLEC may call in a trouble ticket on either a voice or a data line. Also, a voice
8 CLEC acting on behalf of a DLEC may order a disconnect of a data line. These
9 are just two examples, but there are many more. Neither of these situations could
10 occur with line sharing, so it is clear that additional methods, procedures, and
11 internal and external training need to be developed for line splitting.

12
13 Indeed, the fact that different ordering processes, business rules, and OSS for line
14 splitting had to be developed in the New York DSL Collaborative suggests that
15 the line sharing ordering processes, business rules, and OSS were incapable of
16 being used for a line splitting order.

17 **Q. AT&T WITNESS PFAU IMPLIES THAT VERIZON VA'S LINE**
18 **SHARING AND LINE SPLITTING PROCEDURES "HAVE YET TO BE**
19 **DISCLOSED, MUCH LESS TESTED." IS THIS A TRUE STATEMENT?**

20 A. No. With respect to line sharing, Verizon VA's proposed language outlines in
21 detail its procedures for line sharing. These are the same procedures that have
22 been used—and included in interconnection agreements with DLECs such as
23 Covad and Rhythms—since Verizon VA first implemented line sharing in June

1 1999. Moreover, these are the same procedures that were discussed at great
2 length early in the New York DSL Collaborative. Finally, these are the same
3 procedures that this Commission found to satisfy Verizon's line sharing
4 obligations in its Massachusetts and Connecticut 271 approval orders.
5

6 With respect to line splitting, Verizon VA's contract adopts by reference the line
7 splitting procedures developed in the New York DSL Collaborative. AT&T is an
8 active participant in that collaborative, and has contributed to the development of
9 these procedures from the very beginning. More importantly, AT&T is
10 participating in the current line splitting pilot that has been testing these
11 procedures since June. This pilot is intended to test the procedures developed by
12 the collaborative and fine tune them if necessary to address any unforeseen
13 operational or billing problems.
14

15 Verizon is disappointed with AT&T's efforts in the trial thus far. AT&T, which
16 is partnering with itself to provide data service, predicted that it would have
17 significant volumes of line splitting arrangements in service by now. However,
18 AT&T has only placed a hand full of orders. WorldCom has yet to place any
19 orders. These low volumes jeopardize an October implementation by
20 significantly impairing Verizon's ability to test its manual and mechanized
21 processes, as well as the ability for Verizon to handle large volumes, and raises
22 the question of how sincere the CLECs are in their demands for this service and
23 other related enhancements. Indeed, AT&T has commended Verizon for its

1 efforts in developing mechanized line splitting, but admitted that due to systems
 2 problems, AT&T is several weeks behind in their planned line splitting roll out.
 3 Consequently, AT&T's claims that it will face "potential service issues" in the
 4 absence of the detailed line splitting contract language it proposes are not credible
 5 given its level of effort in the very process developed by the New York DSL
 6 Collaborative to work through such issues.

7
 8 A similar situation occurred last year when Verizon prepared to implement line
 9 sharing. Although the CLECs were insistent that they needed this functionality,
 10 they only submitted a small number of orders during the line sharing pilot.
 11 Furthermore, to date, the CLECs have not ordered line sharing arrangements on
 12 the magnitude that they predicted in 2000. It would not be prudent for the
 13 Commission to direct Verizon to spend its resources to develop line splitting
 14 arrangements specifically for one interconnection agreement that the CLECs will
 15 not order in reality. Therefore, the Commission should allow new arrangements
 16 to be developed and refined through the collaborative process, where the CLECs
 17 can prioritize their needs based on realistic projections of demand.

18
 19 **Q. HAS AT&T BEEN PROVIDED WITH THE LINE SPLITTING SERVICE**
 20 **DESCRIPTIONS DEVELOPED IN THE NEW YORK**
 21 **COLLABORATIVE?**

22 A. Yes. AT&T—as well as the industry as a whole—has received documentation of
 23 the line splitting service descriptions developed in the New York DSL
 24 Collaborative, which were diagramed in Exhibits ASP-5 and -6. These

1 descriptions form the basis for the pilot currently underway, and are attached as
2 Rebuttal Exhibit ASP-14. A line splitting tariff is also in place in New York.

3 **Q. AT PAGE 109 OF HIS DIRECT TESTIMONY, AT&T WITNESS PFAU**
4 **STATES THAT AT A MINIMUM, VERIZON MUST PROVIDE**
5 **NONDISCRIMINATORY SUPPORT UNDER FIVE DIFFERENT**
6 **CIRCUMSTANCES. PLEASE COMMENT ON HIS SUGGESTIONS AS**
7 **WELL AS ANY PLANS VERIZON HAS TO ACCOMMODATE THESE**
8 **SCENARIOS.**

9 A. AT&T proposes the following five scenarios:

- 10 1. When AT&T adds xDSL service to an existing UNE-P voice customer;
- 11 2. When AT&T establishes a bundled voice/xDSL service for a new
12 customer;
- 13 3. When AT&T seeks to convert a customer's voice service to AT&T
14 without changing the customer's existing xDSL provider;
- 15 4. When AT&T requests that the xDSL carrier in an existing line splitting
16 arrangement be changed; and
- 17 5. When AT&T requests Verizon to disconnect an existing xDSL service on
18 an AT&T loop.

19 Scenarios 1 and 3 appear to be the same as the line splitting Options 3 and 2,
20 respectively, outlined in the service descriptions in Exhibit ASP-12. These
21 scenarios are being tested in the New York Pilot, and are scheduled for release
22 nationwide, including Virginia, in the October target time frame.
23

1 The New York DSL Collaborative has formed two sub-teams to address the
2 various migration scenarios that CLECs have proposed, including the
3 remaining three recommended by Mr. Pfau. One team will be focused on
4 xDSL and Line Sharing migrations and the other team will be focused on Line
5 Splitting migrations. In a meeting held on July 20, 2001, the New York DSL
6 Collaborative working team on line splitting reviewed eight migration
7 scenarios. Initial attempts were made to prioritize and establish business rules
8 for these scenarios. Follow-up meetings to continue this work effort were
9 held on July 27, and August 10, 2001, at which eight additional scenarios
10 were introduced and the status of the pilot was discussed. The two teams
11 continue to work on the migration scenarios and additional meetings are
12 scheduled.³⁰

13
14 Assuming the parties can reach consensus on terms, conditions and prices,
15 these migrations will be developed in a manner that addresses priorities
16 identified by the CLECs and DLECs in the collaborative meetings, and will be
17 developed to ensure that a consistent and effective method is in place to
18 handle each migration in a defined manner and that will be as non-disruptive
19 to the end user as possible. Most migrations will involve some physical work
20 and will involve some disruption to the end user.

³⁰ The New York Commission established a web page to track the progress of the New York DSL Collaborative at <http://www.dps.state.ny.us/DSLproced.html>, and has invited any other commission or interested party to participate in the meetings.

Q. HAS THE NEW YORK DSL COLLABORATIVE ADDRESSED SITUATIONS IN WHICH AT&T REQUESTS THAT AN xDSL PROVIDER BE CHANGED OR AN EXISTING xDSL SERVICE DISCONNECTED?

A. Yes. These situations are among the sixteen scenarios being discussed and developed in the New York DSL Collaborative. Today, Verizon is performing a number of migrations, and is project managing with interested CLECs migrations from one data provider to another where a previous DLEC discontinues its business. Where an xDSL provider is disconnected, the line will be converted back to a UNE-P.

Q. HAS THE NEW YORK DSL COLLABORATIVE ADDRESSED ESTABLISHING LINE SPLITTING SCENARIOS FOR NEW CUSTOMERS?

A. Not in detail at this time. In prioritizing the service descriptions, the parties agreed to address conversions of existing voice customers to line splitting scenarios first. Thus, the two finalized service descriptions subject to the pilot and scheduled for implementation this fall do not address line splitting scenarios for new voice customers. However, the collaborative working groups are addressing this scenario for future development. Once the business rules and procedures are developed in the collaborative, they will be implemented in Virginia under Verizon VA's currently proposed interconnection agreement language.

1 **Q. UNDER VERIZON VA'S PROPOSED LINE SHARING AND LINE**
 2 **SPLITTING LANGUAGE, WILL THESE SERVICES BE PROVISIONED**
 3 **AS THEY ARE IN MASSACHUSETTS AND CONNECTICUT?**

4 A. Yes. In granting 271 approval to Verizon in Massachusetts and Connecticut, the
 5 Commission reviewed Verizon's actual line sharing and line splitting
 6 performance. In the Massachusetts proceeding, Verizon proffered evidence that it
 7 had signed nine interconnection agreements in Massachusetts containing line
 8 sharing provisions.³¹ Those provisions were identical to the provisions in Verizon
 9 NY's agreements and the provisions Verizon VA proposes in its agreement with
 10 AT&T and WorldCom.³² It is pursuant to those agreements that Verizon's actual
 11 provisioning of line sharing occurred in New York and Massachusetts. Based on
 12 the totality of the agreements and Verizon's performance there under, the
 13 Commission found that Verizon provides nondiscriminatory access to the high
 14 frequency portion of the loop.³³ Similarly, the Commission reviewed Verizon's
 15 line sharing performance in Connecticut based on the same contract language in
 16 New York to find Verizon to be fulfilling its obligations in Connecticut.³⁴

³¹ *Massachusetts 271 Approval Order* at ¶ 164.

³² *See id.* n. 512.

³³ *Id.* at ¶ 165.

³⁴ *In the Matter of Application of Verizon New York Inc., Verizon Long Distance, Verizon Enterprise Solutions, Verizon Global Networks Inc., and Verizon Select Services Inc., for Authorization to Provide In-Region, InterLATA Services in Connecticut*, CC Docket No. 01-100, Memorandum and Order, FCC 01-208 (rel. July 20, 2001). ("Connecticut 271 Approval Order") at ¶ 23 ("We find that Verizon demonstrates that it provides nondiscriminatory access to the high-frequency portion of the loop. Verizon offers line sharing in Connecticut under its

(continued...)

1 With respect to line splitting, the Commission actually reviewed Verizon's
 2 proposed line splitting language in granting its 271 approval. In the Connecticut
 3 order, the Commission noted as follows:

4 Verizon states that it currently offers the unbundled
 5 network elements that would allow line-split services. On
 6 February 14, 2001, Verizon issued a statement of policy to
 7 accommodate line splitting. ***Additionally, Verizon has***
 8 ***incorporated line splitting contract language reflecting***
 9 ***this policy into its Model Interconnection Agreement***
 10 ***which it will make immediately available to any carrier***
 11 ***who wishes to offer line-split services.*** Verizon has also
 12 demonstrated that it offers competitors nondiscriminatory
 13 access to the individual network elements necessary to
 14 provide line-split services and that nothing prevent
 15 competitors from offering voice and data services over a
 16 single unbundled loop. ***Several competitors contest the***
 17 ***adequacy of this language and argue that Verizon is***
 18 ***currently not in compliance with the Commission's line***
 19 ***sharing and line splitting requirements.*** These carriers
 20 further contend that Verizon has engaged in a pattern of
 21 recalcitrant behavior with regard to implementing line
 22 sharing and line splitting requirements and the Commission
 23 should not credit its promises of future compliance.³⁵

24 In footnote 556, the Commission summarized Verizon's Model Interconnection
 25 Agreement language, which is identical to the language proposed in Virginia:

26 In its line splitting amendment, Verizon commits to offer
 27 line splitting consistent with the Commission's *Line*
 28 *Sharing Reconsideration Order* by utilizing Verizon's OSS
 29 to order the unbundled network elements necessary to
 30 provide line-split services. With regard to migrations of
 31 UNE-P customers to line splitting, Verizon commits to
 32 follow the implementation schedules, terms, conditions and

interconnection agreements and the terms of its tariff, in accordance with the requirements of the
Line Sharing Order and *Line Sharing Reconsideration Order.*")

³⁵ *Massachusetts 271 Approval Order* at ¶ 175 (footnotes omitted, emphasis added).
 AT&T and WorldCom were among the carriers making the claims referenced by the
 Commission.

1 guidelines established in the ongoing DSL collaborative at
2 the New York Public Service Commission.

3 Rejecting AT&T and WorldCom's complaints about Verizon's language, the
4 Commission ruled as follows:

5 175. Verizon demonstrates that it makes it
6 possible for competing carriers to provide voice and data
7 service over a single loop – i.e., to engage in “line
8 splitting.” Specifically, Verizon demonstrates that it has
9 concrete and specific legal obligation to provide line
10 splitting through rates, terms and conditions in
11 interconnection agreements. As a result, a competing
12 carrier may, for instance, provide voice service using UNE-
13 P and, either alone or in conjunction with another carrier,
14 provide xDSL service on that same line.

15 * * *

16 178. We disagree with WorldCom's contention
17 that Verizon's line-splitting interconnection agreement
18 language limits line splitting to carriers who are collocated
19 in Verizon central offices or that Verizon is taking the
20 position that the UNE-P providers may not line split unless
21 they are collocated. Verizon's contract language, which
22 includes a reference to “collocator to collocator”
23 connections, does not require UNE-P providers to be
24 collocated in Verizon central offices to offer line split
25 services. Rather, UNE-P providers need not obtain
26 collocation in Verizon central offices to offer the voice
27 component of line-split services.

28 179. *Verizon's interconnection agreement*
29 *amendment is also consistent with our Line Sharing*
30 *Reconsideration Order*, which requires that incumbent
31 LECs minimize service disruptions to existing voice
32 customers undergoing a transition to line-splitting. For
33 example, where competitive LECs provide data service to
34 existing end user customers and Verizon provides voice
35 service to that customer there is no need to “rearrange”
36 network facilities to provide line-split services. Because no
37 central office wiring changes are necessary in such a
38 conversion from line sharing to line splitting, Verizon is
39 required under our *Line Sharing Reconsideration Order* to
40 develop a streamlined ordering processes for formerly line
41 sharing competitive LECs to enable migrations between

1 line sharing and line splitting that avoid voice and data
 2 service disruption and make use of the existing xDSL-
 3 capable loop. Such a transition from line sharing to line
 4 splitting should occur subject only to charges consistent
 5 with the Commission's cost methodology as articulated in
 6 the *Local Competition First Report and Order*.

7 Thus, contrary to AT&T Witness Pfau's assertions at page 117, the Commission
 8 explicitly addressed Verizon VA's proposed interconnection agreement language
 9 implementing line splitting, implicitly addressed Verizon VA's proposed line
 10 sharing language, and found them to fulfill Verizon VA's obligations.

11 **Q. DOES VERIZON VA'S PROPOSED LINE SPLITTING LANGUAGE**
 12 **OUTLINE HOW LINE SPLITTING MAY BE ORDERED TODAY AND IN**
 13 **THE FUTURE?**

14 A. Yes. As explained in Verizon VA's Direct Testimony, and depicted in Exhibit
 15 ASP-4, Verizon's proposed line splitting language makes clear that AT&T can
 16 immediately engage in line splitting using the ordering procedures applicable to
 17 an unbundled xDSL capable loop, which will terminate to a collocated splitter and
 18 DSLAM equipment provided by its data partner (or itself), unbundled switching
 19 combined with shared transport, collocator-to-collocator connections, and
 20 available cross connects, under the terms and conditions set forth in the applicable
 21 sections for each element in the proposed agreement to AT&T. The proposed
 22 language provides further that should AT&T wish to migrate an existing UNE-P
 23 to a line splitting configuration, it may do so under the implementation schedule,
 24 terms, conditions, and guidelines developed in the New York DSL Collaborative.

1 **Q. AT&T WITNESS PFAU AT PAGE 123 OF HIS DIRECT TESTIMONY**
 2 **READS VERIZON VA'S PROPOSED LINE SPLITTING LANGUAGE TO**
 3 **COMMIT VERIZON VA TO ADOPT ONLY THE RESULTS OF THE**
 4 **NEW YORK DSL COLLABORATIVE WITH WHICH IT AGREES. IS**
 5 **THIS TRUE?**

6 A. No. Verizon VA proposes to implement the results of the New York DSL
 7 Collaborative on which there is industry consensus. As a practical matter, any
 8 service descriptions, terms, conditions, or timelines resulting from the
 9 collaborative process have either been agreed to by the parties or ordered by the
 10 New York Commission. Verizon VA intends to implement any final results
 11 agreed upon in the collaborative process. It does not however, propose to
 12 implement those terms and conditions over which the parties could not reach
 13 consensus in the absence of a New York Commission Order. Such a result would
 14 defeat the very purpose of a collaborative effort.

15 **Q. IS VERIZON VA WILLING TO AMEND ITS PROPOSED LINE**
 16 **SPLITTING LANGUAGE TO ADDRESS AT&T'S CONFUSION?**

17 A. Yes. While Verizon VA disagrees that its proposed line splitting language is
 18 vague, it recognizes that AT&T (as well as WorldCom) do not believe it
 19 sufficiently explains Verizon VA's intent to implement the results of the New
 20 York DSL Collaborative. Therefore, Verizon VA proposes to amend § 11.2.18.1
 21 of its proposed interconnection agreement to AT&T and its Line Splitting
 22 Addendum to WorldCom to read as follows:

[AT&T] [WorldCom] may provide integrated voice and data services over the same Loop by engaging in "line splitting" as set forth in paragraph 18 of the FCC's Line Sharing Reconsideration Order (CC Docket Nos. 98-147, 96-98), released January 19, 2001. Any line splitting between [AT&T] [WorldCom] and another CLEC shall be accomplished by prior negotiated arrangement between those CLECs. To achieve a line splitting capability immediately, [AT&T] [WorldCom] may order an unbundled xDSL capable loop, which will terminate to a collocated splitter and DSLAM equipment provided by its data partner (or itself), unbundled switching combined with shared transport, collocater-to-collocater connections, and available cross connects, under the terms and conditions set forth in the applicable sections for each element in this Agreement. [AT&T] [WorldCom] or its data partner shall provide any splitters used in a line splitting configuration.

Verizon will provide to [AT&T] [WorldCom] any service as described and developed by the ongoing DSL Collaborative in the State of New York, NY PSC Case 00-C-0127 consistent with such implementation schedules, terms, conditions and guidelines established by the Collaborative, allowing for local jurisdictional and OSS differences."

Q. WHY DOES VERIZON VA FIND IT NECESSARY TO ACCOUNT FOR ANY LOCAL JURISDICTIONAL OR OSS DIFFERENCES BETWEEN LINE SPLITTING IMPLEMENTATION IN NEW YORK AND VIRGINIA?

A. Verizon VA understands that under § 252(i) of the Act, or the most favored nation provisions of its merger conditions, any CLEC in any Verizon territory can adopt any provision of Verizon VA's interconnection agreements. The Commission's merger conditions and approval order expressly recognize that the former Bell Atlantic and the former GTE exchanges are served by different OSS. As the Commission noted in the *BA/GTE Merger Order*,

1 . . . Bell Atlantic and GTE's systems "developed from
 2 significantly different sources and, as a result, . . . differ
 3 significantly [from each other]." Given these facts, the
 4 Applicants have asserted that to achieve uniformity through
 5 the combined region: (1) it likely will cost "hundreds of
 6 millions," if not "billions," of dollars; (2) it could take more
 7 than five years to achieve; and (3) "given the size of the
 8 work effort . . . and the unknowns about the true scope and
 9 scale of the project, there is no certainty that Bell
 10 Atlantic/GTE would be able to complete such a project."³⁶

11 Thus, the systems modifications and procedures adopted to serve New York
 12 cannot be implemented in an identical manner in all Verizon jurisdictions.

13 Verizon VA's interconnection agreement must account for this fact.

14 Moreover, Virginia itself will have jurisdictional differences between former Bell
 15 Atlantic and former GTE serving areas. AT&T correctly points out that Verizon
 16 committed to implement uniform interfaces and business rules for at least 80 % of
 17 the access lines for the combined Bell Atlantic and GTE service areas in
 18 Pennsylvania and Virginia within five years after the Merger Closing Date.

19 However, such uniform interfaces have not been completed at this time, and will
 20 not be completed by the implementation date for line splitting in New York. For
 21 these reasons, until its OSS merger is complete, Verizon VA must account for the
 22 differences between former Bell Atlantic and former GTE service territories in
 23 Virginia. Should a Virginia CLEC serving a former GTE-territory opt-in to
 24 AT&T's interconnection agreement, deletion of language recognizing the
 25 jurisdictional differences between the territories could require the company to
 26 implement line splitting in a manner and under a time frame that it cannot meet.

³⁶ BA/GTE Merger Order at ¶ 286.

1 **Q. IS AT&T WITNESS PFAU CORRECT WHEN HE STATES AT PAGE 112**
2 **OF HIS DIRECT TESTIMONY THAT “IT IS NOT BURDENSOME FOR**
3 **VERIZON TO INCORPORATE THE LANGUAGE THAT AT&T HAS**
4 **TAKEN THE TROUBLE TO DRAFT” TO IMPLEMENT LINE**
5 **SPLITTING?**

6 **A. No. AT&T’s self-serving language attempts to short circuit the collaborative**
7 **process by adopting its implementation wish list without regard to how it affects**
8 **Verizon VA’s operations or other carriers (in particular DLECs). The New York**
9 **DSL Collaborative made very clear from the beginning that different competitive**
10 **carriers have different priorities and do not always agree on the best way to**
11 **implement line splitting. For example, there was disagreement among DLECs**
12 **and voice CLECs over which carrier should control the circuit in a line splitting**
13 **scenario and have the right to disconnect data or voice service. Only by**
14 **discussing these issues in a collaborative process under the supervision of a**
15 **regulatory body could the parties develop consensus line splitting arrangements**
16 **that will work for all parties. The work of the collaborative is not complete.**
17 **AT&T should not be permitted to lock Verizon VA into implementing AT&T’s**
18 **view of how line splitting should be accomplished. Instead, the interconnection**
19 **agreement between the parties should incorporate the progress made by the New**
20 **York DSL Collaborative, which is working to resolve issues identified by AT&T**
21 **as a concern underlying its proposed line splitting language.**

1 **Q. PLEASE COMMENT ON EACH OF THE SUB-ISSUES IDENTIFIED BY**
 2 **AT PAGES 113 – 115 OF AT&T WITNESS PFAU’S TESTIMONY THAT**
 3 **REQUIRE ARBITRATION.**

4 A. Verizon VA addresses each sub-issue one at a time:

5 **III.10.B.1. Must all aspects of the operational support delivered to AT&T in**
 6 **support of line sharing and line splitting arrangements with Verizon**
 7 **be at no less than parity as compared to the support provided when**
 8 **Verizon engages in line sharing with its own retail operation, with an**
 9 **affiliated carrier, or with unaffiliated carriers in reasonably similar**
 10 **equipment configurations?**

11
 12 To the extent that VADI enters into line splitting arrangements with a UNE-P
 13 voice provider, and to the extent the UNE-P provider authorizes VADI to place
 14 orders on its behalf, the ordering processes used by VADI to order a line splitting
 15 arrangement will be identical to those used by any other CLEC (whether a UNE-P
 16 provider or a DLEC) ordering a line splitting arrangement.

17
 18 Likewise, the line sharing ordering process used by VADI is the same as the line
 19 sharing ordering process used by any other DLEC: VADI or any other DLEC
 20 submits one LSR, using OSS interfaces, for the establishment of a line sharing
 21 arrangement in order to offer an xDSL product over a loop used by Verizon VA to
 22 provide voice service. VADI uses the same ordering process CLECs will use to
 23 offer an xDSL product over a UNE-P loop used by that or another carrier to
 24 provide voice service.

25 **III.10.B.2. Must Verizon immediately provide AT&T with the procedures it**
 26 **proposes to implement line splitting on a manual basis?**

As discussed above, AT&T has received these procedures in the New York DSL Collaborative, as well as in numerous state proceedings.

III.10.B.3. Must Verizon implement electronic OSS that are uniform with regard to carrier interface requirements and implement line splitting contemporaneously with its implementation of such capabilities in New York, but in no event later than January 2002?

While the Commission required ILECS “to make all necessary modifications to facilitate line splitting, including providing nondiscriminatory access to OSS necessary for pre-ordering, ordering, provisioning, maintenance and repair and billing for loops used in line splitting arrangements,” as well as the “central office work necessary to deliver unbundled loops and switching to a competing carrier’s physically or virtually collocated splitter that is part of a line splitting arrangement,” it also recognized that the OSS modifications required to support line splitting will take some time to implement. The Commission reaffirmed this understanding in its order granting Verizon 271 approval in Massachusetts:

The Line Sharing Reconsideration Order does not require Verizon to have implemented an electronic OSS functionality to permit line splitting. Rather, the Commission’s Line Sharing Reconsideration Order recognizes that a state-sponsored xDSL collaboratives is the appropriate place for Verizon to evaluate how best to develop this functionality. For example, Verizon has represented that it is actively working on developing the OSS upgrades necessary to provide for electronic ordering of line-split services in the context of the New York Commission’s xDSL collaborative. We recognize that Verizon has not, to date, implemented the OSS upgrades necessary to electronically process line-splitting orders in a manner that is minimally disruptive to existing voice customers; but that such functionality may require significant software upgrades and testing. It is undisputed that the parties in the New York DSL collaborative commenced discussion of line splitting over a year ago;

1 *that in April 2000 Verizon formally posed numerous*
 2 *questions to competitors concerning their business rules*
 3 *for line splitting; and that in August 2000, competitive*
 4 *LECs submitted their initial detailed business rules to*
 5 *Verizon.* Thus it appears that Verizon has the necessary
 6 information to implement the necessary OSS upgrades.
 7 Verizon has been able to provide its customers line-shared
 8 DSL service for approximately two years. *Our Line*
 9 *Sharing Reconsideration Order is fulfilled by Verizon's*
 10 *adoption of an implementation schedule for line splitting*
 11 *as directed by the New York Commission that will afford*
 12 *competitors the same opportunities.*

13
 14 We note that in response to WorldCom's concerns, Verizon
 15 has agreed upon an implementation schedule to offer line
 16 splitting-specific OSS capabilities under the supervision of
 17 the New York Commission. In June of this year we expect
 18 that Verizon will conduct a preliminary OSS
 19 implementation in New York using new OSS functionality
 20 to add data service to an existing UNE-P customer. In
 21 October, Verizon has committed to implement, in the
 22 Verizon East territory including Massachusetts, the new
 23 OSS capability necessary to support migrations from line
 24 sharing to line splitting arrangements consistent with the
 25 business processes defined in the New York DSL
 26 collaborative. Consistent with their plans and with the
 27 guidance of the New York DSL collaborative, Verizon
 28 plans to offer OSS capability necessary to support UNE-P
 29 migrations to line splitting by October 2001.³⁷

30 Verizon is implementing electronic OSS that are uniform with regard to carrier
 31 interface requirements based on the results of the New York DSL Collaborative,
 32 and commits in its proposed contract language to implement line splitting
 33 consistent with the implementation of such capabilities in New York. As
 34 explained in the Advanced Services Panel's Direct Testimony, this functionality
 35 includes OSS modifications that will enhance the process for a CLEC with an
 36 existing UNE-P arrangement to submit an order to add data to the line. The

³⁷ *Massachusetts 271 Approval Order* ¶¶ 180-181 (emphasis added, footnoted omitted).

1 second enhancement Verizon is currently working on enhances the process for
 2 migrating from a line sharing arrangement to a line splitting arrangement.

3
 4 To the extent systems differ between New York and Virginia that cause different
 5 enhancements to be made, implementation in Virginia cannot be
 6 contemporaneous with New York. However, Verizon expects to have
 7 enhancements in place in Virginia shortly after the New York enhancements are
 8 completed.

9 **III.10.B.4. Must Verizon provide automated access to all loop qualification data**
 10 **to AT&T simultaneously with providing automated access to itself or**
 11 **any other carrier, including non-discriminatory treatment with**
 12 **regard to planning and implementation activities preceding delivery**
 13 **of the automated access?**

14 In its *Massachusetts 271 Approval Order*, the Commission outlined Verizon VA's
 15 requirements for providing access to loop qualification data:

16 As the Commission required of SWBT in the recent *SWBT*
 17 *Kansas/Oklahoma Order*, we require Verizon to
 18 demonstrate that it provides access to loop qualification
 19 information in a manner consistent with the requirements of
 20 the *UNE Remand Order*. In particular, we require Verizon
 21 to provide access to loop qualification information as part
 22 of the pre-ordering functionality of OSS. In the *UNE*
 23 *Remand Order*, the Commission required incumbent
 24 carriers to provide competitors with access to all of the
 25 same detailed information about the loop available to
 26 themselves, and in the same time frame as any of their
 27 personnel could obtain it, so that a requesting carrier could
 28 make an independent judgment at the pre-ordering stage
 29 about whether a requested end user loop is capable of
 30 supporting the advanced services equipment the requesting
 31 carrier intends to install. Under the *UNE Remand Order*,
 32 Verizon must provide carriers with the same underlying
 33 information that it has in any of its own databases or
 34 internal records. The relevant inquiry as required by the

1 *UNE Remand Order* is not whether Verizon's retail arm or
 2 advanced services affiliate has access to such underlying
 3 information but whether such information exists anywhere
 4 in Verizon's back office and can be accessed by any of
 5 Verizon's personnel. Moreover, Verizon may not "filter or
 6 digest" the underlying information and may not provide
 7 only information that is useful in the provision of a
 8 particular type of xDSL that Verizon offers. Verizon must
 9 provide loop qualification information based, for example,
 10 on an individual address or zip code of the end users in a
 11 particular wire center, NXX code or on any other basis that
 12 Verizon provides such information to itself. Verizon must
 13 also provide access for competing carriers to the loop
 14 qualifying information that Verizon can itself access
 15 manually or electronically. Finally, Verizon must provide
 16 access to loop qualification information to competitors
 17 "within the same time frame that any incumbent personnel
 18 are able to obtain such information," including any
 19 personnel in its advanced services affiliate, Verizon
 20 Advanced Data, Inc. (VADI).³⁸

21 As explained in the Advanced Services Panel's Direct testimony, Verizon VA's
 22 proposed interconnection agreement language fulfills its obligations under the
 23 *UNE Remand Order*.³⁹

24 **III.10.B.5. May Verizon require AT&T to pre-qualify a loop for xDSL**
 25 **functionality?**

26 Yes. Verizon VA explained in its Direct Testimony in this proceeding **why** loop
 27 pre-qualification should be required.⁴⁰

³⁸ *Massachusetts 271 Approval Order* at ¶ 54; *see also Connecticut 271 Approval Order* at ¶ 54.

³⁹ Advanced Services Panel Direct Testimony at 17-20.

⁴⁰ *Id.* at 20-23.

1 **III.10.B.5.a. If AT&T elects not to pre-qualify a loop and the loop is not currently**
 2 **being used to provide services in the HFS, but was previously used to**
 3 **provide a service in the HFS, should Verizon be liable if the loop fails**
 4 **to meet the operating parameter of a qualified loop?**

5 For the reasons outlined in Verizon VA's Direct Testimony in this proceeding, the
 6 answer must be no.⁴¹

7 **III.10.B.6. May AT&T, or its authorized agent, at its option provide the splitter**
 8 **functionality in virtual, common (*a.k.a.* shared cageless) or traditional**
 9 **caged physical collocation?**

10 Verizon VA's line sharing Option 1 permits AT&T to install its splitters in its
 11 own collocation space within a central office, and places no limitations on the
 12 type of collocation arrangement AT&T may have.⁴² Under Verizon VA's line
 13 sharing Option, 2 AT&T's splitter would be installed in Verizon VA's space in a
 14 relay rack in a virtual collocation arrangement. Both of these splitter location
 15 options apply to Verizon VA's line splitting service descriptions developed in the
 16 New York DSL Collaborative.

17 **III.10.B.7. If Verizon declines to do so voluntarily, must Verizon, at AT&T's**
 18 **request, deploy a splitter on a line-at-a-time basis as an additional**
 19 **functionality of the loop within 45 days of the Commission's order in**
 20 **a proceeding of general application?**

21 Implicitly recognizing Verizon VA's right to refuse to purchase splitters for
 22 AT&T, Issue III.10.B.7 seeks a commitment that within 45 days of any
 23 Commission order imposing an obligation on ILECs to own splitters, that Verizon

⁴¹ *Id.* at 21-23.

⁴² Verizon-proposed interconnection agreement to AT&T § 11.2.17.4.

1 VA will deploy such a splitter on a line-at-a-time basis. Verizon VA finds such a
2 commitment premature.

3 The Commission has already found that under its current rules, ILECs are not
4 required to own splitters, and that splitters are not part of the features and
5 functionalities of a loop. In the *Line Sharing Order*, the Commission found that
6 incumbents may **choose** to own and provide splitters to CLECs, but they are
7 under no obligation to do so.⁴³ In its *SBC Texas 271 Order*, the Commission
8 squarely rejected AT&T's argument that splitters are part of the features and
9 functionalities of the loop that an ILEC must provide:

10 We reject AT&T's argument that [SBC] has a present
11 obligation to furnish the splitter when AT&T engages in
12 line splitting over the UNE-P. The Commission has never
13 exercised its legislative rulemaking authority under section
14 251(d)(2) to require incumbent LECs to provide access to
15 the splitter, and **incumbent LECs therefore have no**
16 **current obligation to make the splitter available.** As we
17 stated in the *UNE Remand Order*, "with the exception of
18 Digital Subscriber Line Access Multiplexers (DSLAMs),
19 the loop includes attached electronics, including
20 multiplexing equipment used to derive the loop
21 transmission capacity." We separately determined that the
22 DSLAM is a component of the packet switching unbundled
23 network element. We observed that 'DSLAM equipment
24 sometimes includes a splitter' and that, "[i]f not, a separate
25 splitter device separates voice and data traffic." We did not
26 identify any circumstances in which the splitter would be
27 treated as part of the loop, as distinguished from being part
28 of the packet switching element. That distinction is critical,
29 because we declined to exercise our rulemaking authority

⁴³ *Line Sharing Order* at ¶ 76 ("incumbent LECs may maintain control over the loop and splitter equipment").